

Wherefore, I/we claim:

1. A valuation system for valuing business enterprises, comprising:
 - a user interface through which the user is asked to put in selected federal tax return information and to answer a set of standard questions
 - an input data parser for extracting data representing the enterprise from standard federal tax return information and standard questions answered by the user, all of which data is input through the user interface,
 - a plurality of models representing financial aspects of enterprises and including data and processes for generating financial values representing the financial aspects of the enterprise from the extracted input data and from the financial values generated by the models,
 - a valuation engine for providing the extracted input data and the financial values to the models, receiving the financial values from the models and directing operations of the models, and
 - a report generator for receiving the financial values from the valuation engine and generating from the financial values at least one valuation output representing a value of the enterprise.
2. The valuation system of claim 1, wherein the models include:
 - an enterprise officer compensation model for determining an enterprise officer's compensation expense of the enterprise.
 - an owner discretionary expense adjustment model for determining the actual expenses of the enterprise
3. The valuation system of claim 1, wherein the models include:
 - an operating/non-operating income model for separately determining operating and non-operating incomes of the enterprise.
4. The valuation system of claim 3, wherein the models include:

tax shield model for determining an enterprise tax shield value that is independent of a method by which the enterprise assets are financed.

5. The valuation system of claim 1, wherein the models include:
one or more operating profit models for determining present and expected operating profits of the enterprise.
6. The valuation system of claim 1, wherein the models include:
growth and cash flow models for determining an expected growth in operating profits of the enterprise.
7. The valuation system of claim 1, wherein the models include:
cash flow models for determining enterprise cash flow over a competitive advantage period.
8. The valuation system of claim 1, wherein the models include:
cost of capital models, long and short-term debt models, and systemic and enterprise credit risk models for determining an average cost of capital for the enterprise.
9. The valuation system of claim 1, wherein the models include:
one or more models for generating a control premium value wherein a control premium value represents an increase over a market value of a minority interest in the enterprise represented by ownership of the enterprise.
10. The valuation system of claim 1, wherein the models include:
a liquidity discount model for generating a liquidity discount value representing a decrease in an ownership value of the enterprise due to an increased risk in selling the enterprise arising from the enterprise being a privately owned enterprise.

11. A valuation system for valuing a business enterprise, comprising:

- a user interface through which the user is asked to put in selected federal tax return information and to answer a set of standard questions

- an input data parser for extracting financial data representing the enterprise from standard federal tax return information,

- a plurality of models representing financial aspects of enterprises and including data and processes for generating financial values representing the financial aspects of the enterprise from the extracted input data and from the financial values generated by the models,

 - the models including:

 - a Firm to Industry Identification Model for determining, at the most detailed level available, which industry and enterprise operates in.

 - a Firm Gravity Model for determining the appropriate MSA for the enterprise to determine the geographic area to which the enterprise is most closely economically tied

 - a CEO Compensation Model for determining an enterprise officer's compensation as an expense of the enterprise,

 - a Owner Discretionary Expense Adjustment Model for determining the discretionary expense levels consistent with maintaining the on-going operation of the business,

 - a Firm Growth Trajectory Model for determining an enterprise's revenue and profit growth in order to determine the enterprise's growth trajectory,

 - value models for determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise,

 - a control premium model for generating a control premium value wherein a control premium value represents an increase over a market value of a minority interest in the enterprise represented by ownership of the enterprise,

 - a liquidity discount model for generating a liquidity discount value representing a decrease in an ownership value of the enterprise due to an increased

risk in selling the enterprise arising from the enterprise being a privately owned enterprise,

a valuation engine for providing the extracted input data and the financial values to the models, receiving the financial values from the models and directing operations of the models, and

a report generator for receiving the financial values from the valuation engine and generating from the financial values at least one valuation output representing a value of the enterprise.

12. In a valuation system including a user interface an input data parser, a plurality of models for generating financial values representing an enterprise, a report generator for generating from the financial values at least one valuation output representing a value of the enterprise, and an valuation engine for directing operations of the valuation system, a method for determining a value of business enterprises, comprising the steps of:

extracting data representing the enterprise from standard federal tax return information and a set of standard questions, all as input via the user interface

generating financial values representing the financial aspects of the enterprise from the extracted input data and from the financial values generated by the models,

including:

determining at the most detailed level available which industry the enterprise operates in,

determining an enterprise officer's compensation as an expense of the enterprise,

determining the discretionary expense levels consistent with maintaining the on-going operation of the business

determining an enterprise's revenue and profit growth in order to determine the enterprise's growth trajectory.

determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise,

generating a control premium value wherein a control premium value represents an increase over a market value of a minority interest in the enterprise represented by ownership of the enterprise, and

generating from the financial values at least one valuation output representing a value of the enterprise.

13. The method of claim 12 for determining the value of the business enterprise, further comprising the step of:

generating a liquidity discount value representing a decrease in an ownership value of the enterprise due to an increased risk in selling the enterprise arising if the enterprise being valued is privately owned enterprise.

14. The method of claim 12 for determining the value of a business enterprise, further comprising the step of:

determining operating and non-operating incomes of the enterprise as separate values.

15. The method of claim 12 for determining the value of the business enterprise, wherein the step of determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise further comprises:

determining an enterprise tax shield value that is independent of a method by which the enterprise assets are financed.

16. The method of claim 12 for determining the value of the business enterprise, wherein the step of determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise further comprises:

determining present and expected operating profits of the enterprise.

17. The method of claim 12 for determining the value of the business enterprise, wherein the step of determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise further comprises:

determining an expected growth in operating profits of the enterprise.

18. The method of claim 12 for determining the value of the business enterprise, wherein the step of determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise further comprises:

determining enterprise cash flow over a competitive advantage period.

19. The method of claim 12 for determining the value of the ~~privately owned~~ business enterprise, wherein the step of determining present and expected values of the enterprise as functions of present and expected profits and costs of the enterprise further comprises:

determining an average cost of capital for the enterprise over a period of competitive advantage.

20. The method of claim 12 for determining the value of the business enterprise, wherein the step of extracting data representing the enterprise further includes the steps of presenting questions pertaining to the enterprise to a user through the user interface and extracting information from responses to the questions.